



Los Angeles County
Board of Supervisors

March 9, 2006

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Bruce A. Chernof, MD
Acting Director and Chief Medical Officer

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William Loos, MD
Acting Senior Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL TO EXPEND ADDITIONAL TOBACCO
SETTLEMENT FUNDS FOR THE HEALTH CARE
WORKFORCE DEVELOPMENT PROGRAM**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Acting Director of Health Services, or his designee, to expend \$3.7 million in Tobacco Settlement funds as the County's share of cost for the Health Care Workforce Development Program (HCWDP), while negotiations continue with the State to secure the remainder of the State's funds committed to HCWDP under the terms and conditions of the 1115 Waiver Agreement (Waiver), for the remainder of Fiscal Year 2005-06 (\$2.8 million) and for Fiscal Year 2006-07 (\$0.9 million).

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:

*To improve health
through leadership,
service and education.*

The Department of Health Services (DHS or Department) is recommending approval of this authorization to expend an additional \$3.7 million in Tobacco Settlement funds, which would bring the County's total funding to the full \$13.4 million County share of cost for the HCWDP. On November 29, 2005, your Board approved the Department's request to expend an additional \$3.2 million in Tobacco Settlement funds, the estimated County share for HCWDP expenditures in Fiscal Year (FY) 2005-06, in anticipation of the receipt of State funds. Approval of this action will allow DHS to continue the training and education programs that include Board-approved contracts with local colleges to prepare DHS employees for health professions critically needed by DHS.



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FISCAL IMPACT/FINANCING:

Under the terms and conditions of the Waiver, the State of California and the County of Los Angeles were to provide \$40 million at a 2 to 1 sharing ratio: \$26.6 million and \$13.4 million, respectively, to meet the funding obligations of the HCWDP. The cumulative expenditures for the HCWDP through June 30, 2005 were \$21.7 million, of which \$15.2 million was funded by the State and \$6.5 million from the Department.

There is \$6 million in Tobacco Settlement funds in the Department's FY 2005-06 Final Budget for purposes of meeting the County's share of cost for this program. Your Board approved the use of \$3.2 million of these funds on November 29, 2005, which will be expended by March 2006. This request will approve the use of the remaining \$2.8 million of these funds through June 30, 2006 and an additional \$0.9 million that will be requested by the Department for the FY 2006-07 budget to fully fund County's \$13.4 million share of cost for the HCWDP.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Since 1999, DHS, in collaboration with SEIU, has provided training and education services to DHS employees. Under the terms and conditions of the Waiver, the State and County were to fund the \$40 million with a 2 to 1 sharing ratio: \$26.6 million and \$13.4 million, respectively. State funds were not available until late June 2002, therefore the \$40 million could not be completely spent during the Waiver years (2000-2005).

The Department continues to focus its training efforts in critical shortage areas. HCWDP coordinates with facility administrators to minimize impact on patient services when employees are released to attend training programs.

Since November 29, 2005 when the Board approved the expenditure of Tobacco Settlement Funds, another 14 DHS employees have completed the HCWDP-sponsored licensed nursing programs, passed their Board exams and are being promoted as new nurses. An additional 100 students are currently enrolled in licensed nursing programs and 200 nurses have taken post-licensure courses in subjects such as hemodialysis and psychiatric nursing. Thirty employees are enrolled in Drew University to become medical record coders and 40 more employees have taken courses to pass their phlebotomy re-certification exam. As of February, the HCWDP has provided about 10,000 training activities to more than 5,800 DHS employees.

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CONTRACTING PROCESS:

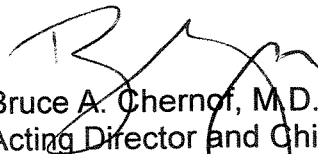
Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The long-term training and education programs will continue uninterrupted and additional DHS participants will receive the necessary training.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Acting Director and Chief Medical Officer

BAC:df/ds
BLCDWDPFUNDING2.DS.wpd

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Director of Community and Senior Services